

105TH CONGRESS
2D SESSION

H. R. 3966

To amend title 23, United States Code, to provide for collection and payment of State taxes imposed on motor fuel sold on Indian lands.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1998

Mr. LAHOOD (for himself, Mr. SANDLIN, Mr. ISTOOK, Ms. DANNER, Mr. BLUNT, Mr. COBURN, Mr. BARRETT of Nebraska, Mr. HASTINGS of Washington, and Mr. EHLERS) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend title 23, United States Code, to provide for collection and payment of State taxes imposed on motor fuel sold on Indian lands.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 The Congress finds that—

5 (1) under the United States Constitution, Con-
6 gress is charged with regulating commerce among
7 the States and with Indian tribes;

8 (2) an aspect of the responsibility of regulating
9 commerce is to establish appropriate relations be-

1 tween Indian tribes and the States in which Indian
2 reservations are located;

3 (3) Congress has not established such appro-
4 prium relations regarding collection and payment of
5 State motor fuel taxes;

6 (4) several States have been unable to ade-
7 quately resolve this issue; and

8 (5) the failure of certain Indian tribes to collect
9 and pay to States lawfully imposed State motor fuel
10 tax results in the loss of highway revenues which
11 could be used for highway and economic develop-
12 ment and creates an unfair competitive advantage to
13 individuals that sell motor fuel without incurring
14 State motor fuel tax.

15 **SEC. 2. COLLECTION AND PAYMENT OF STATE MOTOR**
16 **FUEL TAX.**

17 (a) IN GENERAL.—Section 204 of title 23, United
18 States Code, is amended by adding at the end the follow-
19 ing:

20 “(k) RESTRICTION ON USE OF FUNDS FOR INDIAN
21 RESERVATION ROADS.—

22 “(1) IN GENERAL.—The Secretary shall not al-
23 locate sums for construction or maintenance of a
24 public lands highway within the boundaries of non-
25 taxable Indian lands or any other Federal reserva-

tion or for an Indian reservation road unless the Secretary determines that—

“(A) the Indian tribe or Alaskan Native governmental entity with jurisdiction over the land upon which the highway or road is to be constructed has entered into a written agreement with the State in which such highway or road is to be constructed which provides for payment and collection of State motor fuel taxes on any motor fuel sold by a retail establishment located on such land; or

“(B)(i) the Indian tribe or Alaskan Native governmental entity with jurisdiction over the land upon which the highway or road is to be constructed refuses to enter into a written agreement described in subparagraph (A); and

“(ii) the allocation of such sums is essential to the construction or maintenance of a highway or road that is a critical component of the National Highway System and is essential to the maintenance of interstate commerce.

“(2) EFFECTIVE DATE.—Paragraph (1) shall take effect 6 months after the date of enactment of this subsection.”.

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